ACTION

AGENDA ITEM: Regional Library Network Development

ISSUES TO COME BEFORE THE BOARD AT THIS MEETING:

1.   Review the evaluation and assessment of expenditure of Library of California funds allocated by the Board at the February 2000 meeting.

2.   Consider request to ratify an over-expenditure of funds.

3.   Consider increased allocation from Library of California funds for development of regional programs, services and supporting statewide infrastructure, and completion of regional planning.

4.   Review the status of planning activity within the Planning Regions, including updates from each planning region.

RECOMMENDED MOTION FOR CONSIDERATION BY THE BOARD: I move to ratify the decision made by the Board President and Vice President to expend $3,753 above the amount approved by the Board in February 2000.

RECOMMENDED MOTION FOR CONSIDERATION BY THE BOARD: I move that the Library of California Board authorize the awarding of Library of California funds in accordance with the Criteria for Supplemental Grant Applications adopted by the Board on February 18, 2000 (Exhibit C), for the following:

- for Database Project requests   **989,540**

- for Planning Grant Augmentations and
  Network Development requests   **188,276**

for a total of **$1,177,816.**

ISSUE 1: Evaluation and Assessment of Expenditure of Library of California Funds Allocated by the Board at the February 2000 meeting.

BACKGROUND:

At the February 2000 Board meeting, the Board authorized the expenditure of up to $2.76 million to fund local assistance planning grants and project requests. Exhibit A provides a summary of the grant awards, and shows that $2,218,371 has been awarded in the categories specified by the Board's motion. Letters of award were sent to Regional Planning Contacts and Fiscal Agents during the last week in March.

The Board was also concerned about the unevenness of requests received from the planning regions and wanted to allow for all planning regions to submit applications for local assistance funds. The Board authorized the continuation of the grant application process, and new applications were accepted until April 10, 2000. As a result, planning regions did submit additional requests to be considered for funding. Exhibit B summarizes these requests for an additional $1,177,816 for both planning grant augmentations and project grants.

ANALYSIS:

At the time of the February Board meeting, the Library of California (LoC) Team had determined that a number of grant applications received needed considerable staff review to determine whether or not they could be funded in the categories in which funds were allocated, or whether they contained enough information and showed enough promise to allow for successful project completion. Following the Board meeting, the LoC Team reviewed all proposals and recommendations and consulted with regional planning representatives to obtain further details on projects. As a result, some of the projects originally submitted were determined not to be able to be funded because they were not in categories in which funding was authorized.

In the preliminary process of sorting applications for review, projects were placed in the funding category which seemed most appropriate. Applications were then reviewed by the Library of California Team. Each was reviewed by the regional liaison as well as someone with expertise in the area: e.g. Telecommunications, Databases, Network Development. From this review, a number of applications were noted not to be in the category in which they were originally sorted. The most numerous to move were ones originally viewed as Telecommunications projects that were, in fact, projects to plan for telecommunications, and that belonged, more appropriately, in Planning. As the Board had allocated funds by category for expenditure, there became an increased number of applications being considered in Planning and Network Development, and a decreased number competing in Telecommunications Infrastructure.

TELECOMMUNICATIONS:

Fewer awards were made in the Telecommunications area than originally projected. Reasons for this under-expenditure were:

- Approximately $182,000 in projects originally categorized as Telecommunications were moved for funding purposes to Planning/Network Development.
- The language of this budget area specifies infrastructure, and projects did not fall within the definition.
- Regions submitted more than one project, some of which were dependent on each other. If regions submitted a request for a technology inventory of possible member libraries and other projects that hinged on knowing the outcomes of the inventory, the LoC Team recommended against funding the second project until the results of the inventory were known.

Of the original request of $1,569,172 for Telecommunications projects, the Board authorized expenditure up to 50% of this amount or $860,000. Actual amount awarded was $316,792, leaving a balance of $543,208.

DATABASES:

Planning regions submitted proposals for a variety of database products, each selected to meet particular local client demands. Exhibit A shows the variety of databases requested.

The Board authorized expenditure of up to $1.2 million, approximately 75% of the requested amount of $1,378,990. Since database cost projections are a combination of the vendor costs plus the local costs of making the database available, review of applications determined that one request was likely to be under-budgeted, and was referred back to the planning region to consult further with the vendor on costs. When a final calculation was done of the recommendations for funding, an additional $3,754 was needed to fund them. This amount is equal to 0.3% of the total Board allocation for database projects. Staff requested the ability to award this additional amount rather than hold back on making the award of a project until after the April LCB meeting. President Dawe and Vice President Fong authorized this staff request, and asked that the issue be brought to the Board for ratification at the April meeting.

It is important to note that each of the database requests was for full funding of access to the database (i.e. to fund the full subscription price) rather than only the cost of negotiating a favorable subscription rate – or license fee – which fee the using library would pay to bring the database resource to its own users. Since Board policy is that state funds be used only to pay the costs of subscription/license negotiation and not the actual subscription cost, except for specific, limited trials of databases, such as was done with the Rand California database, staff considered carefully whether any of these requests could be funded. The LoC Team discussed this issue at length and finally

agreed that each of the databases proposed represented a unique situation that <u>did</u> merit a limited trial, both for information to be gained for state-level negotiation purposes and the experience to be gained at the planning region level. As such, staff felt comfortable awarding those indicated in Exhibit A with a clear statement in each award letter that funding was granted only for a limited trial basis and no commitment to fund ongoing subscription costs by the Board after the initial trial period should be inferred from the current award.

Of the original request of $1,378,990 for Database projects, the Board authorized expenditure up to 75% of this amount or $1,200,000. Actual amount awarded was $1,203,753, leaving a negative balance of $3,753.

PLANNING:

Several issues arose during the consideration of supplemental planning and network development grants that had not been anticipated prior to close staff review.

- Several grant applications originally categorized as technology grants became network development grants when their contents were reviewed. Grants equal to $182,000 were moved to planning at the time they were awarded.
- The Board adopted as one of the criteria for grants that "Requests for planning funds should not exceed 50% of the original planning grant made to Planning Regions in 1999." Planning Regions were notified in the application instructions that applications in excess of 50% required specific justification for why an award should be made above this amount. All but one Planning Region submitting grants in excess of 50% did not provide the required justification. The awards made to these Planning Regions was for 50% of their original request, and each was notified to provide an explanation in order to be considered for the remainder of the request. Each group has provided this justification and the remainder of their planning grant augmentations are in the amount to be considered for planning fund allocation at this meeting.
- This category was the least defined category of the three, so projects not fitting the other two were assigned here. As a result, a number of the grant applications in this category were for projects that while very worthwhile in concept, were not fundable.

Of the original request of $652,728 for Planning grants and Network Development projects, the Board authorized expenditure up to 100% of this amount or $700,000. Actual amount awarded was $697,826 leaving a balance of $2,174.

<u>**ISSUE 2**</u>: Consideration of request to ratify over-expenditure of funds.

During staff deliberations on project requests, it was determined that there were database projects in the amount of $1,203,753 that were deserving of funding. At the March 17, 2000, conference call between Jim Dawe, Victoria Fong, Liz Gibson, and Diana Paque,

we discussed the possibility of funding this additional $3,753 or holding back on a project until the next Board meeting. This amount is equal to 0.3% of the entire amount authorized for databases, and it was to be allocated to costs associated with a single database project. President Dawe and Vice President Fong authorized staff to proceed with the award, and to develop a motion for the April Board meeting to ratify their decision.

Staff Recommendation:

Ratify the President's and Vice President's decision to award an additional $3,753 to support database grant awards.

ISSUE 3: Additional Requests for Library of California Grants Received Since the February Board Meeting.

At the February 2000 Board meeting, the Board moved to continue receipt of grant applications to allow for all planning regions to compete for available funds. The LoC Team, acting as regional liaisons, advised Regional Planning Group Contacts of the continuation of the grant process, helped them acquire needed forms, and worked with them on the submission of their applications. A deadline of April 10, 2000 was set to allow for staff review and recommendations for this Board meeting. Nine additional requests were received by the deadline. Exhibit B is a summary of additional requests received from planning regions that the LoC Team is recommending for funding. Criteria adopted by the Board at the February meeting were used to review and assess these applications. This summary includes new requests received since the end of January as well as requests for which funding was not available from the February Board allocation.

ANALYSIS:

As mentioned in the previous review of the awards from the February Board allocations, there were several requests not fully funded. These fell in two categories:

1. Planning grants above 50% of the original planning region award for which a justification was not supplied, and

2. Application instructions required the provision of detailed indirect costs rather than a set percentage of the total cost of the project. Applications where the Team recommended funding, but this instruction was not followed, were awarded minus the indirect costs, and applicants were asked to provide a justification in order to receive an award for their provision.

Planning Regions submitted additional project requests for trial database subscriptions, network development projects, and a planning grant augmentation. All Planning Regions were contacted to assure that there was equal opportunity to develop and submit project

applications. As a result, all Planning Regions have submitted applications for funding either for consideration at the February Board meeting or at this meeting. All have had equal opportunity to consider and develop project requests. Planning Regions have submitted requests for projects based on:

> ➢ the readiness of libraries in their area,
> ➢ the availability of local resources to support projects, and
> ➢ the specific needs of the Planning Region in relation to their development towards becoming a regional library network.

The current list in Exhibit B includes four additional requests for trial database subscriptions. All Planning Regions except Heartland have chosen to request a trial database subscription. All Planning Regions except Cascade Pacific Libraries requested additional planning grant augmentations. Again, requests varied based on regional assessment of need.

Staff Recommendation:

The Board should authorize the expenditure of Library of California funds to cover the amount of planning and project grants recommended. The Board should direct its Chief Executive Officer to negotiate with the Regional Planning Groups to ensure that all projects meet legal requirements, are funded at the appropriate level, and have timelines that correspond to those for Regional Library Network Development. As funding model programs and pilots is primarily intended to enhance regional development of services, it is also recommended that funding these projects should not constitute Board direction or policy for program development or future funding directions.

ISSUE 4: Review of the status of planning activity within the Planning Regions, including updates from each planning region.

At the February Board meeting, President Dawe requested that regular updates from Planning Regions be included in the regularly scheduled agenda to allow for Board comment and action. In addition, President Dawe asked that the Board be provided with names of staff liaisons to the Planning Regions as well as the names of the Planning Group Contacts. The Staff Liaison List as well as the List of Planning Region Contacts are now being included as a regular part of the Board packet in the introductory section for the Library of California.

At previous meetings, while there had been updates on planning activities during the regular Board meeting, the majority of comments about these activities came in the form of comments from the public. President Dawe was concerned that presentation of issues during the public comment period did not allow for any Board response or action to any concern or issue raised by the speaker. He asked that staff find an appropriate place in

the agenda to provide updates, and thus, allow for both Board and public comments directly to the issues.

Contained in Exhibit D are updates received from each Planning Region. Each was asked to supply information that is a regular part of the narrative report submitted quarterly as part of the Planning Grant Report. Following is a summary and response to issues and constraints mentioned in these reports.

ISSUES RAISED IN PLANNING REGION UPDATES:

ORGANIZATIONAL ISSUES:

Throughout the last year there has been a continuing concern expressed by regional contacts that we are spending more time and energy on governance and organizational structure and that increased emphasis should be placed on delivering services to libraries and their users. While Planning Regions have been developing the necessary documents, a continuing number of questions arise on structural issues. In addition, as Planning Regions have been presenting information to potential members, more questions arise about what the benefits are to libraries; what costs are associated with these benefits; and how Library of California services and programs fit with existing programs and services delivered by CLSA systems, the university and college systems and other statewide and regional organizations. These are some of the concerns brought to the Board at their planning session in February and are being expressed in both specific and conceptual terms at the regional level.

DOCUMENTS AND TEMPLATES:

During the last year, the Regional Planning Contacts have been working with the Library of California Team on the documents to develop regional library networks. The staff can only develop model or sample documents to assist regional planning. Should the staff direct the use of specific forms, those forms would need to be incorporated into the Library of California Regulations and be adopted as part of a Rulemaking process. Therefore, the Library of California Team is assisting Regional Planning Groups by providing sample or model forms and model documents, such as a bylaws template.

As part of this document-development process, a Bylaws Template was drafted to provide assistance to local groups in preparing their own bylaws. Since August 1999, we have been working with attorneys to first draft and then refine these model bylaws. As new questions arose, the bylaws were further refined. The latest draft was presented in January 2000, and regional planning groups have been using this draft. At some point, staff will need to determine that our role in the drafting of bylaws is complete, and that the model, as it exists at that point in time will stand.

The Team has also been working with Planning Region Contacts on the development of application forms. A group of consultants hired by several of the planning regions has

been working with Diana Paque to refine application forms and assure that all necessary elements are included. Again, the forms developed are models from the Library of California's perspective. Because the time involved in answering questions related to organizational structure has taken longer than anticipated, the forms which relate to the structure have also been delayed. Planning Groups must decide on the forms they will use and distribute them in the near future, and the Team needs to make the completion of these model forms a priority.

MEMBERSHIP CRITERIA:

The Library of California Act is specific in the criteria for membership, and the specificity relative to staffing causes considerable concern in all Planning Regions. As many school and special libraries do not have paid onsite staff with an MLS or school library media credential, Planning Regions are wrestling with the issue of inclusion and exclusion of perhaps an entire type of library in their areas. For Planning Region 1 the issues surrounding school libraries are critical, and we have been working with legal counsel to determine exactly what options are available for school libraries, school districts, and county offices of education. In addition, as there is considerable variation in the staffing of special libraries, all planning regions are discussing the elements of their membership policies that relate to these libraries.

RESOURCE LIBRARIES:

The Library of California Act identifies that there is a specific role in the Library of California for Resource Libraries on a statewide basis. It also identifies the need for regions to identify their regional resource libraries and the criteria and functions for these libraries. Concern is being expressed in a variety of groups about resource libraries and who they are, and what their roles are to be both regionally and statewide. Because planning groups are required to identify the criteria and functions of their regional resource libraries as part of their application process for network status, the issue is of primary importance to them.

The Library of California Team has spent much of its time working with the planning regions on regional library network development and with developing the statewide framework and structure that will support regional services and programs. The Resource Libraries component has been identified as a priority for funding in the upcoming year, and funding was requested for this component as part of the last Budget Change Proposal. In addition, there is a vacant consultant position within the Library of California Team that is being identified to work with both the Resource Libraries and Regional Network elements of the Library of California Program.

What is causing the greatest amount of frustration in the planning process is the lack of definition in the law and the lack of funding currently devoted towards developing this component. There is also the urgency of rapidly defining regional resource libraries without having definitions in place for the statewide program. In addition, since the

planning process began in the late 1980's, technology has dramatically changed the role and functions of resource libraries and the services they can or should provide.

The Director has been working with representatives of the University of California and the California State University library directors to begin discussion on definitions for roles and services. Unfortunately, until the consultant position is filled, this program component will take a lower priority than others related to library network development.

INFORMATION AGENCIES:

As with regional resource libraries, the Act also requires networks to identify information agencies and the roles they will play in the regional library network. A loose definition is provided in the definition section of the Act, but there is little to clarify what their roles could or should be. The consultant for the Arroyo Seco Planning Region, Anne Marie Gold, has drafted an initial functional definition of an information agency which has been shared with all planning groups. Again, there is a sense of urgency to develop definitions because it is a required element of the application process. The Team has briefly discussed this draft definition and will continue to work with the planning regions to develop definitions to meet their regional needs.

TRANSITIONAL ISSUES FROM CLSA TO LIBRARY OF CALIFORNIA:

As the Library of California develops, there is an increasing realization that it is a reality, and that a transition of services will need to take place from CLSA systems to the Library of California at some point in time. Public library directors, as well as others, are expressing their concern about, among other issues:

- receiving at least the same level of service through the Library of California as they do now through their CLSA systems;
- funding for programs, the current inadequacies in CLSA, and the need to develop new paradigms for funding Library of California programs and services;
- CLSA system operations and the issues related to maintaining potentially duplicative operational structures and services;
- planning and priority for transition of services and programs; and
- staffing and benefits issues.

At the Board Planning Session in February, all of these issues were raised. It will be the work of the Board's CLSA Transition Committee to set direction for the planning and development of transition policies and procedures. In the short term, there continues to be considerable discussion at both Planning Region meetings and CLSA System meetings about the implications of transitioning, and what they will mean to actual regional operations and services.

REGIONAL PRIORITIES:

Planning Region 3 mentioned in their planning update that it is a challenge to identify resources to both develop a regional library network and to deliver services. Planning Regions were cautioned to submit proposals for only those projects that they were confident they could complete successfully. What has become clear is that the burden of development falls on a small number of individuals, whether they are from participating libraries, hired consultants, or current CLSA System staff.

PUBLICITY AND COMMUNICATIONS:

Planning Region 7 has commented on several occasions about the continuing and increasing need to publicize the work of libraries, planning groups, the emerging regional library networks, and the Library of California program. To date, efforts at publicity have been the result of local efforts, and have resulted in less than optimal publicity. The State Librarian has stated his intentions to improve communications and to develop and support quality communications about all State Library services and programs. Planning Region 7 offers some suggestions about increasing ongoing regular communications that the Library of California Team will seriously consider.

RELATED ISSUES TO COME BEFORE THE BOARD IN THE FUTURE:

1. Review results of supplemental funding as they relate to Regional Library Network Development.

2. Review of the status of planning activity within the Planning Regions, including updates from each Planning Region.

3. Consider applications from Regional Planning Groups to create Regional Library Networks.

Relevant Committee: Support Services
Staff Liaison: Diana Paque

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